

SCORE

SCHOOL, COMMUNITY, OPPORTUNITIES AND REVALUATION EMERGENCIES

For Further Information, Contact:
Ira Karaskick, Esq. at 973-509-1800

NEWARK RESIDENTS FILE COURT CHALLENGE TO CITY'S ACTIONS IN ARENA FINANCING

For Immediate Release: Thursday, November 21, 2002

A group of Newark taxpayers who reside in the city filed a suit in NJ Superior Court in Newark today challenging the city's contribution of \$200 million in public money to build a sports arena in "flagrant disregard of state laws assuring public participation in governmental decisions and ensuring the fiscal integrity of local government."

Plaintiffs in the case are local residents representing every ward in the city, and SCORE (School, Community, Opportunities, and Revaluation Emergencies), a newly formed local citizen group organized to promote, through the political and legal process and through public education, budget priorities that meet the real needs of Newark residents.

At issue is the city's action involving the \$165 million Port Authority lease payment to Newark and the \$35 million in city bond funds, along with the contract to the NJ Redevelopment Authority to build the arena. The residents do not allege that the Port Authority and New Jersey Redevelopment Authority have violated any laws, and only name the PA and NJRA as parties because they would be affected by the outcome of the legal action.

The suit focuses on the manner in which the city accepted the Port Authority lease agreements -- without a public hearing, without public input and in violation of New Jersey's Sunshine Law, Local Budget Law, Local Bond Law and Local Fiscal Affairs Law.

"We are taking this action because the city has violated the public trust by spending public funds without following state law. The city has excluded public input on an issue that will have an impact on us and far into the next generation," said David Schegelberger, one of the plaintiffs, who has been a Newark resident for over 87 years.

"Last year's budget included \$75 million in local taxes. It was enacted after a series of public hearings and public comment. Now, we are faced with the city acting upon \$200 million -- almost 2 1/2 times the amount of local taxes -- without so much as one word of public comment. It is all about the absolute right of the public to be heard. It is about following the law", said Patrick Green, one of the other plaintiffs.

(more)

7A0

SCORE

SCHOOL, COMMUNITY, OPPORTUNITIES AND REVALUATION EMERGENCIES

arena/2

Among the issues SCORE cited as critical funding priorities affecting Newark residents are:

- the skyrocketing property tax that will hit local residents next year as a result of citywide property revaluation. Taxpayers face the prospect of bills so high that homeowners will lose their homes -- all because money that could be used to ease the revaluation burden will subsidize an arena that could be privately financed.
- the projected multimillion dollar deficit in the city's 2003 budget.
- the pending sale of the city's water and sewer utility to make up the budget shortfall.

###